COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF EQUITABLE GAS COMPANY

CASE NO. 2009-00121

ORDER

On April 29, 2004, in Case No. 2003-00411,¹ the Commission approved rates for Equitable Gas Company ("Equitable"), a division of Equitable Resources, Inc., and provided for their further adjustment on a quarterly basis in accordance with Equitable's Gas Cost Adjustment ("GCA") clause.

On March 23, 2009, Equitable filed its proposed GCA to be effective May 1, 2009.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

- 1. Equitable's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
- 2. Equitable's Expected Gas Cost ("EGC") is \$7.4363 per Mcf, which is a decrease of \$2.5992 per Mcf from its previous EGC of \$10.0355 per Mcf.
- 3. Equitable's notice sets out a current quarter Actual Adjustment ("AA") of (\$1.0497) per Mcf. Equitable's total AA is \$.7638 per Mcf, which is a decrease of (\$.7999) per Mcf from the previous total AA of \$1.5637 per Mcf.

¹ Case No. 2003-00411, Application of Equitable Gas Company to Increase Rates Pursuant to KRS 278.485 (Ky. PSC Apr. 29, 2004).

- 4. Equitable's notice sets out a current quarter Balancing Adjustment ("BA") of \$.0023 per Mcf. Equitable's total BA is (\$.0256) per Mcf, which is an increase of \$.0112 per Mcf from the previous total BA of (\$.0368) per Mcf.
- 5. Equitable's Gas Cost Recovery Rate is \$8.1745 per Mcf, which is a decrease of \$3.3879 per Mcf from its previous rate of \$11.5624 per Mcf.
- 6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Equitable on and after May 1, 2009.

IT IS THEREFORE ORDERED that:

- 1. The rates in the Appendix to this Order, attached hereto and incorporated herein, are approved for final meter readings on and after May 1, 2009.
- 2. Within 20 days of the date of this Order, Equitable shall file with this Commission its revised tariffs setting out the rates authorized herein.

By the Commission

ENTERED 66 APR 2 4 2009 KENTUCKY PUBLIC SERVICE COMMISSION

Expositive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00121 DATED APR 2 4 2009

The following rates and charges are prescribed for the customers in the area served by Equitable Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES: Monthly

Customer Charge

\$7.50

Gas Cost Recovery

Base Rate

Rate

Total Rate

All Mcf

\$2.1322

\$8.1745

\$10.3067

The minimum bill shall be \$7.50

Robert M Narkevic Manager, Rates Equitable Gas Company A Div. of Equitable 225 North Shore Drive Pittsburgh, PA 15212-5861